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REMARKS/ARGUMENTS

This Amendment is in response to the Office Action mailed February 23, 2007.

In the Office Action, claims 1, 3-13, 15-26, and 28-38 stand rejected under 35 U.S.C. § 103.

Applicants have re-written independent claim 1 with certain limitations from dependent claims 4 and 5, independent claim 13 with certain limitations from dependent claims 16 and 17, and independent claim 26 with certain limitations from dependent claims 29 and 30, respectively, to clarify embodiments of the invention. Accordingly, Applicants have canceled claims 4, 5, 16, 17, 29, and 30, without prejudice.

Reconsideration in light of the amendments and remarks made herein is respectfully requested.

Rejection Under 35 U.S.C. § 103

Claims 1, 3-6, 8-13, 15-19, and 21-25 stand rejected under 35 U.S.C. § 103(a) as being allegedly obvious over U.S. Patent No. 5,822,123 issued to Davis et al. (hereinafter Davis) in view of U.S. Patent No. 6,314,572 issued to LaRocca et al. (hereinafter LaRocca).

In order to clarify embodiments of the invention, Applicants have amended independent claims 1, 13, and 26 generally relating to <u>a client terminal</u>, <u>a computer program implemented in a client terminal</u>, and <u>a method implemented at a client terminal</u> to include limitations that generally relate to: recommending at least one bundle of channels for subscription by the user based upon a subscription matrix for the user that is stored locally at the client terminal, the currently selected program guide entry for the non-subscribed channel displayed in the program guide, and available bundles of channels for subscription, wherein the subscription matrix includes channels subscribed to by the client terminal and available channels not subscribed to by the client terminal.

In the Office Action, Davis is cited for teaching a basic client terminal. The Examiner acknowledges that Davis does not teach or suggest a client terminal that recommends at least one

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bundle of channels for subscription by the user based upon a subscription matrix for the user. (See Office Action, p. 3.) However, the Examiner does allege that Davis discloses a subscription matrix stored locally at the client terminal, by disclosing a microcontroller that stores "subscription ordering information (subscription matrix) in a location in memory in the settop box." (Office Action, p. 6.) Applicants respectfully disagree.

Although Davis discloses a microcontroller 16 that stores Pay-Per-View ordering information in a location in memory, this Pay-Per-View ordering information is not a locally stored subscription matrix that includes channels subscribed to by the client terminal and available channels not subscribed to by the client terminal, as required by the claims. Therefore, Davis does not disclose or suggest a subscription matrix that is stored locally at the client terminal, much less recommending at least one bundle of channels for subscription based upon such a subscription matrix.

The Examiner further alleges that LaRocca teaches: "recommending at least one bundle of channels for subscription by the user based upon a subscription matrix (col. 5, lines 29-41) for the user..." (Office Action, page 4, emphasis added.) Looking at the citation relied upon by the Examiner in LaRocca for the teaching of a subscription matrix:

Other subsystems of the service provider equipment include a network manager 142 and a back office subsystem 144. These subsystems maintain certain databases of information that enable the system to accurately control system access, subscription package definitions, and subscriber/consumer profile and billing. The network manager 142 is coupled to a customer management system (CMS) 150 within the cable operator equipment 152. As such, the network manager maintains a database 154 containing specific customer subscription information pertaining to a customer's type of service (e.g., basic cable, extended basic cable, and the like), level of service and premium channel subscription information. This database is used to facilitate dependent subscriptions and contingent services... (Col. 5, lines 29-41, emphasis added).

As set forth in this passage, LaRocca clearly states it is the service provider equipment (i.e. the head-end equipment) including a network manager 142 and a back office system 144 (see Figure 1) that maintains the databases 154 of information that enable the system to accurately control system access, subscription package definitions, and subscription/consumer profile, and billing. As shown in Figure 3A, LaRocca further teaches that: "At step 326, the

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system [i.e., service provider equipment 306] determines whether the consumer/subscriber has a subscription for the selected service and/or has the base subscription or service for a dependent/contingent service." (Column 9, lines 62-65, emphasis added).

LaRocca clearly does not teach or suggest a client terminal that recommends at least one bundle of channels for subscription by the user based upon a locally stored subscription matrix.

Indeed, LaRocca expressly teaches away from providing a client terminal or a client terminal computer program that can recommend a bundle of channels based upon a locally stored subscription matrix. LaRocca is expressly concerned with the "need to provide these [subscription] services using equipment having a significant portion of the computing power contained within a scrvice provider head in system such that a terminal for the subscriber's home can be manufactured relatively inexpensively." (Column 2, lines 44-49). Moreover, LaRocca teaches that "[t]o implement the service, the terminal need only decode and execute simple applets to produce various interactive displays and send information requests. The service provider equipment performs the significant computing for menu generation, security handling, and subscription processing." (Column 12, lines 30-35, emphasis added).

LaRocca also does not teach or suggest a subscription matrix stored at the client terminal that includes channels subscribed to by the client terminal and available channels not subscribed to by the client terminal. Instead, as set forth in the citation relied upon by the Examiner (col. 5, lines 29-41), LaRocca only teaches that the network manager of the service provider equipment maintains a database 154 that contains specific customer subscription information pertaining to a customer's type of service (e.g., basic cable, extended basic cable, and the like), level of service, and premium channel subscription information. In LaRocca, the subscription-on-demand (SOD) service is provided at the head-end and not the client terminal.

Applicants respectfully submit that LaRocca, either alone or in combination with Davis, does not teach or suggest a client terminal that recommends at least one bundle of channels for subscription by the user based upon a subscription matrix for the user that is stored locally at the client terminal, the currently selected program guide entry for the non-subscribed channel displayed in the program guide, and available bundles of channels for subscription, wherein the

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subscription matrix includes channels subscribed to by the client terminal and available channels not subscribed to by the client terminal.

Accordingly, Applicants respectfully request that the Examiner remove this ground for rejection and allow amended independent claim 1, 13, and 26, as well as the dependent claims that depend therefrom, respectively, and pass these claims to issuance.

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Conclusion

In view of the remarks made above, it is respectfully submitted that pending claims 1, 3, 6-13, 15, 18-26, 28, and 31-38 are allowable over the prior art of record. Thus, Applicants respectfully submit that all the pending claims are in condition for allowance, and such action is earnestly solicited at the earliest possible date. The Examiner is respectfully requested to contact the undersigned by telephone if it is believed that such contact would further the examination of the present application. To the extent necessary, a petition for an extension of time under 37 C.F.R. is hereby made. Please charge any shortage in fees in connection with the filing of this paper, including extension of time fees, to Deposit Account 02-2666 and please credit any excess fees to such account.

Respectfully submitted,

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Dated: 5/17/2007

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